EXHIBIT A

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

U.S. AIRLINE PILOTS ASSOCIATION, by its President Michael Cleary,

Plaintiff,

-against-

US AIRWAYS, INC., and US AIRWAYS GROUP, INC.,

Defendants.

CASE NO. 1:11-CV-02579 (ARR) (SMG)

SUPPLEMENTAL DECLARATION OF BETH HOLDREN IN SUPPORT OF MOTION TO DISMISS AMENDED COMPLAINT FOR DECLARATORY AND INJUNCTIVE RELIEF

I, BETH HOLDREN, declare and state as follows:

1. I am employed by US Airways, Inc. ("US Airways" or the "Company") as the Managing Director of Labor Relations, Flight. I make this declaration in response to several misstatements contained in papers filed by the US Airline Pilots Association ("USAPA") in opposition to US Airways' Motion to Dismiss, and to supplement the record with relevant information. I have personal knowledge of the facts set forth below and if called as a witness in this matter, I could and would competently testify thereto.

A. Transition Agreement Disputes

2. I understand USAPA is alleging a violation by US Airways of a term of the Transition Agreement executed at the time of the US Airways/America West merger, which required both parties to utilize expedited dispute resolution processes to the greatest extent possible. (*See* Decl. of Tracy Parrella ISO Opp'n to Mot. to Dismiss ("Parrella Decl.") ¶ 11.) As I explained in my initial declaration submitted in this matter, US Airways has not abandoned its obligation under the Transition Agreement to utilize expedited dispute resolution procedures as USAPA contends. In fact, I provided examples of instances where USAPA and US Airways have successfully used those procedures. (Decl. of Beth Holdren ISO Mot. to Dismiss ("Holdren Decl.") ¶¶ 18-24.)

3. Moreover, the Transition Agreement contains its own dispute resolution process that permits either party to submit a dispute regarding the interpretation or application of the Transition Agreement and provides for expedited arbitration if the dispute cannot be resolved informally. (Holdren Decl. Exh. 1a, § X.) To date, USAPA and its predecessor, the Air Line Pilots Association ("ALPA"), have collectively submitted fourteen disputes under the Transition Agreement challenging matters ranging from US Airways' use of common identification cards and uniforms to US Airways' projected cost savings from closing certain pilot domiciles. Each has timely moved through the dispute resolution process contained in the Transition Agreement and has been resolved. US Airways has prevailed on nine of these disputes and sustained only a single loss (in which the arbitrator denied USAPA's requested remedy). The parties have settled the four remaining disputes on a non-admission basis.

4. There currently are no pending disputes regarding the interpretation or application of the Transition Agreement, and US Airways has not declined any request by USAPA to expedite a grievance pursuant to the Transition Agreement. As I mentioned in my previous declaration, USAPA has neither filed a grievance nor even raised (outside litigation) a claim that US Airways has failed to use expedited arbitration procedures as required by the Transition Agreement or the East or West CBAs. (*See* Holdren Decl. ¶ 23). That every dispute filed under the Transition Agreement to date timely has been resolved by settlement or arbitration -- including seven arbitrations since USAPA was certified as the exclusive collective bargaining representative for the pilots group in 2008 -- proves the falsity of USAPA's contention that any such claim would be futile because of backlogged grievances and other alleged misconduct by US Airways.

B. Collective Bargaining Negotiations

5. In my declaration, I highlighted many of US Airways' efforts to advance collective bargaining negotiations and reach a single agreement. (Holdren Decl. ¶¶ 4-12.) I understand that in an effort to show alleged bad faith bargaining by US Airways, USAPA has mischaracterized an email I drafted regarding USAPA's presentation of certain check airman

"event data" at July 2011 bargaining sessions. (*See* Decl. of Dean Colello ISO Opp'n to Mot. to Dismiss ("Colello Decl.") Exh. 1.) USAPA has submitted that email to the Court without providing the context necessary to understand its meaning. That context, which I provide below, makes clear that I was objecting to USAPA's delay tactics and violation of the parties' specific agreement regarding event data, not engaging in bad faith bargaining tactics as USAPA claims.

6. The reference to "event data" in the email in question involves the number of days per month check airmen -- pilots who are responsible for training and testing other pilots as required by the Federal Aviation Administration (the "FAA") -- are scheduled to work in their training capacity. This particular bargaining issue is significant because it affects check airmen pilot staffing levels (i.e., US Airways must ensure there are a sufficient number of check airmen available to perform required pilot training).

7. At the multiple-day bargaining sessions in March and April 2011, the parties presented their respective data and analysis of check airmen events. At the request of the parties' assigned National Mediation Board ("NMB") mediator, who was unable to attend the March and April bargaining sessions (which a different mediator attended), the parties repeated their March and April event data analysis presentations at the June bargaining sessions. After the parties were unable to agree on the significance of their respective data and analysis, both parties agreed that rather than waste additional time by again reviewing the same data at the July sessions, we would instead set the event data analysis aside and return to traditional bargaining regarding this issue.

8. During a July 1, 2011 call to set the agenda for the July sessions, however, the Chairman of USAPA's Negotiating Advisory Committee, Paul DiOrio ("DiOrio"), informed the call participants (including me and the NMB mediator) that he intended to present at the July sessions a new analysis of check airmen event data based on the most recent data. After ignoring my reminder that the parties had specifically agreed not to exchange further event data (which had become an impediment to bargaining), but rather just to bargain concerning this issue, DiOrio initially declined the mediator's request that he send his new data to the Company

in advance of the July bargaining sessions. He instead insisted upon a simultaneous exchange of data -- which made no sense given the parties' agreement not to present further data -- until the mediator directed him to send his data to US Airways in advance.

9. On or about July 10, 2011, DiOrio sent me his new event analysis, which I forwarded with the above-referenced email to relevant US Airways employees the same day. (*See* Colello Decl. Exh. 1.) In that email, I referred to my frustration with DiOrio's insistence on again discussing event data analysis in violation of the parties' agreement, rather than returning to traditional bargaining, and noted that US Airways had not yet decided whether to respond to USAPA's presentation. My statement that Mr. DiOrio's analysis would "kill a bit of time" referred to the fact that, while the July bargaining sessions originally were scheduled to cover 3.5 days, US Airways believed there were too few topics on the agenda to fill the scheduled time. For this reason, the Company had previously proposed that the parties bargain for 2.5 days in July, which USAPA rejected. (It ultimately took the parties only portions of 2 days to exhaust all the issues on the agenda, and they did not meet at all the other scheduled 1.5 days.) When placed in context, this email simply conveys my frustration with USAPA's delay tactics -- its decision to renege on our agreement regarding event data analysis and failure to return to traditional bargaining.

C. Grievance Backlog

10. Through the Parrella declaration, USAPA attempts to blame US Airways for the parties' failure to resolve the existing backlog of grievances. (*See, e.g.*, Parrella Decl. ¶ 12.) USAPA is wrong. It is important to note that this is not a new issue. As Parrella acknowledges in her declaration, the parties historically have had a substantial backlog of grievances. According to Parrella, in or about April 2008, when USAPA replaced ALPA as collective bargaining representative for the pilots, there were approximately 441 outstanding grievances for East pilots alone. (*Id.* ¶ 41.) Thus, by Parrella's own account, nearly two-thirds of the 624 backlogged grievances that USAPA claims to exist today pre-date USAPA's representation of the pilots. (*Id.* ¶ 12.)

11. Moreover, Parrella herself has acknowledged that the grievance backlog is at least partially due to ALPA's conduct. In August 2010, Parrella expressly acknowledged in her capacity as USAPA's Grievance Chairperson that the backlog was a "mutual problem," arising because ALPA's negotiating committee had long prioritized negotiations for a single collective bargaining agreement over resolving outstanding grievances. It is inconsistent for Parrella now to suggest the exact opposite (i.e., that the backlog somehow is solely US Airways' fault).

12. By way of background, commencing in or about October 2008, US Airways and USAPA exchanged bargaining proposals regarding the backlog of grievances and how they might be resolved in an expedited or abbreviated fashion (i.e., rather than processing them through the normal grievance process). These negotiations contemplated two "tracks" -- actions to reduce the backlog that could be taken in the very short term, and additional actions that only would be taken as part of the implementation of a new CBA (i.e., after the parties completed their collective bargaining negotiations and adopted a single CBA governing both the East and West pilots).

13. With respect to short-term actions which could be taken to reduce the grievance backlog, on or about October 1, 2008, Parrella stated her belief that at least 100 of the backlogged grievances promptly could be withdrawn as moot or meritless, but that she would need to review all open matters to confirm her view.

14. On or about January 12, 2009, Parrella again announced her intention promptly to cull the number of grievances in an effort to move forward with reducing the backlog. Despite her representations, however, Parrella never has done so.

15. With respect to longer-term actions that would be taken as part of implementing a single CBA, also in October 2008, US Airways presented USAPA with a proposed letter of agreement outlining a process to resolve certain backlogged grievances. US Airways offered to fund a $225,000 "bucket" to resolve a set of mutually agreed-upon backlogged grievances the parties deemed suitable for arbitration based solely on five page briefs (i.e., without live testimony). In its counter-proposal, USAPA declined US Airways' offer.

16. In July 2009, USAPA presented US Airways with a list of what it believed to be open grievances. The list contained a total of 532 grievances -- 437 for East pilots and 95 for West pilots. After analyzing the information provided, US Airways discovered that USAPA (and ALPA) had failed to provide the Company with any information for approximately 225 of the East pilot grievances (i.e., more than 50%) beyond the filing of the initial complaint, which more often than not contained little more than "bare bone" or ambiguous allegations. Based on its review of those grievances, US Airways learned that at least thirty four were more than ten years old and one dated as far back as 1986 -- suggesting that USAPA (and before it, ALPA) had little or no real interest in resolving those matters. As US Airways repeatedly informed USAPA, without additional information, it was (and continues to be) impossible for the Company to evaluate the merits of the grievances and the parties' respective positions. This clearly is an impediment to resolving the grievances, whether informally or through the arbitration process. Nevertheless, USAPA never has provided US Airways the additional requested information.

17. Based on a comprehensive review of all outstanding grievances pre-dating 2004, US Airways also found that of the 437 backlogged East Pilot grievances referenced above, approximately forty were filed on behalf of pilots who no longer were on the property (some of whom had been retired for years), had been settled by mutual agreement of the parties or withdrawn by the union, were currently before or already had been denied by an arbitrator, or already had been ruled on in the grievants' favor by US Airways.

18. With regard to the ninety five backlogged West pilot grievances referenced above, US Airways determined that only sixteen were active because seventy nine either had been settled by the parties or effectively had been withdrawn by the failure to select an arbitrator within the timeline required by the CBA. On or about November 17, 2009, US Airways expressed during negotiations its concern that USAPA was not truly motivated to resolve the backlog problem, in part because so little progress had been made toward a resolution.

19. On or about August 11, 2010, the grievance backlog was raised at mediation. USAPA represented that it had finally reviewed the merits of 200 grievances on the backlog.

USAPA further acknowledged that it still had at least 200 additional grievances to review, but for the time being had come up with a list of seventy East pilot grievances to withdraw and seventy three East pilot grievances to mediate. USAPA advised US Airways, however, that it would not immediately withdraw the seventy grievances because it had an obligation first to notify the grievants of their option to pursue them at their own expense. Parrella promised that she would "absolutely commit" to do so, and, that, if a grievant failed to respond to USAPA's notice, USAPA would withdraw that particular grievance. Despite her representations, USAPA has not confirmed that it has notified the pilots at issue or actually withdrawn any of the seventy grievances.

20. On or about September 14, 2010, USAPA informed US Airways that it would provide it a list of grievances that USAPA intended to arbitrate. While more than a year has passed, USAPA never has done so. USAPA also never has provided US Airways any information regarding the additional 200 grievances on the backlog that it stated it needed to review more than a year ago (including whether it has done so).

D. Grievance Scheduling and Hearings

21. Since 2008, there have been instances where it took a considerable amount of time for the parties to select an arbitrator to hear a grievance because of delays caused by USAPA. For example, in or about November 2009, US Airways sent USAPA a request asking for its availability to select an arbitrator. USAPA did not make itself available to do so for approximately two-and-a-half months. (Attached hereto as Exhibit 18 is a true and correct copy of a March 2, 2010 letter from me to Parrella addressing this issue.) With respect to the Management Grievance discussed below, in July 2011, USAPA did not make itself available to select an arbitrator for more than 30 days after receiving US Airways' request.

22. By contrast, with few exceptions, US Airways generally has been available to select an arbitrator within a relatively short time after receiving a request from USAPA. For example, on four occasions since 2008, US Airways has made itself available to select an arbitrator within between three and eight days after receiving a request from USAPA. While US

Airways may not always be in a position immediately to select an arbitrator, the foregoing demonstrates that the process is working and that US Airways does not delay unnecessarily. (*See* Parrella Decl. ¶ 74.)

23. USAPA's allegation that arbitration hearings have taken years to complete because US Airways allegedly failed to complete them within the agreed upon number of hearing days is false. (*See* Parrella Decl. ¶ 80.) The Company repeatedly has offered to start scheduled hearing days early or stay late. Moreover, there were several reasons that the grievance which Parrella refers to in her declaration (i.e., regarding hotel selection), (*id.*), was filed in 2006 but not fully arbitrated until 2010, including (1) the parties did not select an arbitrator for five months, (2) the limited availability of the arbitrator mutually selected by the parties, and (3) the arbitrations of four Transition Agreement disputes filed by the union during this same time period which had to be expedited pursuant to the Transition Agreement. As a result, the arbitration hearing did not even commence until June 2009. Similarly, USAPA's charge that a grievance (i.e., the Hoesch grievance) required four days of hearing allegedly "spanning two years" to complete, (*see id.*), is misleading at best. The four hearing dates occurred in September 2010 and February 2011 -- the hearing "spanned" five months, not two years.

24. USAPA's contention that US Airways solely was responsible for delaying the continuation of an arbitration hearing (i.e., involving pilot longevity pay) for seventeen months also is inaccurate. (*See* Parrella Decl. ¶ 76.) In that case, the scheduling was delayed while the parties first arbitrated different Transition Agreement disputes that USAPA had filed and which had to be completed on an expedited basis. The scheduling also was delayed when each party had to cancel a previously scheduled hearing date due to unanticipated conflicts.

25. By contrast, on two occasions (i.e., in the Management and Hoesch grievances), USAPA has refused timely to schedule arbitration hearing dates by claiming, incorrectly, that US Airways had improperly submitted its requests for arbitration. Also, USAPA's leadership has at times placed improper conditions on scheduling hearings dates. For example, in one instance,

Parrella would not agree to particular hearing dates offered by the Company unless US Airways guaranteed her and her entire family Company-paid space positive travel back from a personal vacation in Hawaii. On another occasion, Parrella declined to accept dates offered by the arbitrator because they conflicted with one of her three vacation periods that calendar year. (*See* Parrella Decl. Exh. 1.)

E. Management Grievance

26. A primary example of USAPA causing unreasonable delay in the selection of an arbitrator is the Management Grievance. While Parrella complains in her declaration that US Airways delayed the selection process for an arbitrator for thirteen days with respect to a particular grievance, (*see* Parrella Decl. ¶ 74), as noted above, USAPA delayed selecting an arbitrator for the Management Grievance for over a month even though US Airways requested that the grievance be processed on an expedited basis. On one occasion during that month, USAPA requested a telephone call with US Airways in order to select an arbitrator for the Management Grievance, but was unprepared to do so when the call took place. Importantly, the Management Grievance specifically seeks to resolve ongoing disputes between the parties regarding arbitrator selection and the order of scheduling grievances for arbitration. (*See* Holdren Decl. ¶ 29 and Exh. 13). The timely resolution of these disputes will clarify the parties' obligations in that regard, which will improve (and likely speed up) the operation of the grievance and arbitration process.

27. In addition to delaying the arbitrator selection process, USAPA also has been uncooperative in scheduling the Management Grievance for a hearing. In or about August 2011, the arbitrator provided the parties with five available hearing dates. Despite the passage of more than three months, USAPA will not agree to any of those dates unless US Airways first agrees to schedule other arbitrations identified by USAPA in advance of the Management Grievance.

F. Grievance Awards

28. US Airways has not refused to comply with previous settlements, arbitration awards or awarded grievances as USAPA claims. (*See* Parrella Decl. ¶¶ 86-87.) On the one

specific occasion referenced by USAPA, (*id.* ¶ 87), the parties had a good-faith dispute about the meaning of language in the arbitrator's award. Although the arbitrator ultimately agreed with USAPA's interpretation, US Airways did not simply refuse to comply with the award as USAPA claims. Conversely, in a different dispute where the parties disagreed about the meaning of language in the arbitrator's award, the arbitrator ultimately agreed with US Airways' interpretation that the language did not require the Company to conduct a formal audit as part of implementing the award (and rejected USAPA's interpretation to the contrary).

G. Grievance Remedies

29. USAPA's claim that US Airways has refused, since Spring 2007, to reach agreement regarding appropriate remedies in the relatively few instances when an arbitrator has ruled in USAPA's favor is false. (Parrella Decl. ¶ 90.) By way of background, if a group or contract grievance is sustained, the arbitrator generally will remand the matter to the parties to determine an appropriate remedy. In such an instance, US Airways generally will discuss with USAPA a proposed remedy, obtain and compile raw pilot data from its own records and/or third parties, provide relevant data to USAPA in a useable fashion (e.g., organized in an Excel spreadsheet), and negotiate with USAPA regarding contested issues. Contrary to USAPA's allegation, in 2010, for example, US Airways completed the implementation of a multi-phase $30 million remedy regarding the funding of pension benefits for disabled pilots which it successfully negotiated with USAPA after a June 2009 ruling in the union's favor.

30. USAPA's allegation in the Parrella declaration that US Airways has intentionally withheld information necessary to facilitate negotiations over appropriate remedies also is false. (Parrella Decl. ¶ 91.) USAPA alleges that in one case the remedy process began in July 2009 but has not been concluded because US Airways has not produced necessary information (allegedly despite a directive from the arbitrator to do so). Contrary to Parrella's claim, US Airways has provided USAPA the information required by the arbitrator. Notably, the arbitrator ruled that USAPA's request for additional information was unwarranted. In the same dispute, by contrast, USAPA continues to refuse to comply with its obligation to forward pilot sick pay and vacation

data provided by the Company to the affected pilot group, thereby impeding the final determination of an appropriate remedy.

H. Last Chance Agreements

31. Consistent with its past practice, US Airways continues to exercise its discretion and enter into last chance agreements ("LCAs") with pilots (rather than seek to terminate their employment outright) in circumstances it deems appropriate. In my previous declaration, I noted that since 2008, US Airways has offered LCAs to four pilots, and provided examples of the egregious circumstances which led US Airways not to offer LCAs to four other pilots. (Holdren Decl. ¶ 27.) The other pilot terminations in this same time frame where US Airways elected not to offer an LCA, (*see* Parrella Decl. ¶ 53), involve similarly egregious circumstances: (1) a pilot with a history of alcohol abuse who drove his car into a ditch while inebriated and later lied about the incident to retain medical clearance to fly; (2) another pilot who was caught moonlighting for a private airplane service while on a disability leave of absence from US Airways; (3) a pilot who tested positive for marijuana use after a four-day work trip; and (4) two pilots who participated in an illegal job action by intentionally failing timely to complete distance learning training required by the FAA (even after being specifically warned and instructed by the Company to do so), rendering themselves unqualified to provide service on scheduled trips.

32. In these post-2008 pilot terminations, US Airways acted consistent with its past practice, when US Airways similarly declined to offer LCAs to pilots who, for example, were caught entertaining an unauthorized guest in the Captain's seat during a flight; physically attacked another pilot without provocation during a union meeting; or were caught using illegal drugs.

I. West Mediation Letter of Agreement

33. USAPA's contention that US Airways has refused to mediate disputes pursuant to the West Mediation Letter of Agreement is false. (Parrella Decl. ¶ 65.) Other than the one instance described in Paragraph 21 of my previous declaration, USAPA has never requested --

and US Airways has never refused -- to mediate a grievance pursuant to that process. Notably, USAPA has not filed a grievance alleging that US Airways has failed to comply with its obligations under the West Mediation Letter of Agreement.

J. West Grievance Review Board

34. USAPA's contention that, beginning in 2007, US Airways has intentionally delayed the processing of grievances by the West Grievance Review Board (the "West GRB") is false. (Parrella Decl. ¶ 68.) The West GRB continues to meet quarterly as required by the West CBA. In addition, before each meeting, US Airways' Labor Relations team meets separately to discuss the upcoming agenda, explore relevant issues, and assign research tasks in order to ensure that that the parties' limited West GRB meeting time is used productively. On occasion, US Airways has requested additional time to confer with subject matter experts or otherwise assess information which USAPA has presented for the first time at the West GRB meeting itself. USAPA also has asked that individual disputes be tabled for this reason (and others) on at least as many occasions as the Company.

K. Docking Pilot Pay

35. USAPA's contention that since Spring 2007, US Airways has "continually" violated its contractual obligations, and the so-called Wittenberg Award, by improperly docking pilot pay is incorrect. (*See* Parrella Decl. ¶¶ 24-26). There are no active grievances alleging that US Airways has improperly docked pilot pay. To my knowledge, only one pilot has raised the Wittenberg Award at all, and that was in connection with an unrelated disciplinary matter. US Airways believes it is fully compliant with its obligations regarding the docking of pilot pay.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 8th day of December, 2011, at Phoenix, Arizona.

Beth Holdren

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